effect of industrial cost structure, parity between prices paid and prices received by the cotton farmers etc., plus a reasonable profit margin to the cotton farmers. This mechanism of fixing MSP on year to year basis helps in guaranteeing an assured price to the cotton farmers and sustain their continued interests in cotton cultivation. The import of cotton is under Open General Licence (OGL) since 19.4.1994 without any qualitative or quantitative restrictions and the said policy is still being continued. The existing basic custom duty on import of raw cotton is 10%. Last year import of cotton was 1.78% of the total production.

(c) MSP is being fixed every year taking into account the various inputs for estimating the cost of production of cotton. There is no proposal for increase of import duty on cotton.

(d) and (e) Question does not arise in view of above.

Modification of technology upgradation fund scheme

1776. SHRI T.T.V. DHINAKARAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Technology Upgradation Fund Scheme has been modified;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) The benefits available under the modified scheme are as follows:—

(i). The Scheme provides interest reimbursement on spinning machinery @ 4%. However, all the remaining sub-sectors covered under the scheme get interest reimbursement @ 5%.

(ii). The Scheme also provides coverage for foreign exchange rate fluctuation not exceeding 5%. However, for the spinning machinery the coverage is 4%.

(iii). The Scheme provides an additional option to the powerlooms units to avail of 20% Margin Money subsidy under TUFS in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and ceiling on subsidy Rs. 20 lakh.

(iv). The Scheme provides 15% Margin Money subsidy for SSI textile and Jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and ceiling on subsidy Rs. 15 lakh.

(v). The Scheme provides 5% interest reimbursement plus 10% capital subsidy for specified processing machinery, garmenting machinery and machinery required in manufacture of technical textiles.

(vi). The Scheme provides 25% capital subsidy on purchase of the new machinery and equipments for the pre-loom & post-loom operations, handlooms/up-gradation of Handlooms and testing & Quality Control equipments, for handloom production units.

(c) Does not arise.